

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

175 West Fifth Street, Second Floor, San Bernardino, CA 92415-0490

• (909) 387-5866 • FAX (909) 387-5871

E-MAIL: lafco@lafco.sbcounty.gov

www.sbclafco.org

DATE: October 8, 2002

FROM: KATHLEEN ROLLINGS-McDONALD, Deputy Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #4: LAFCO SC#184 – City of Barstow Out-of-Agency Service Agreement for Sewer Service (Lenwood/High Desert Estates)

SUBMITTED BY:

City of Barstow

RECOMMENDATION:

1. Take the following actions for the environmental review required for the original area of SC#184:
 - a. Certify that the Commission has reviewed and considered the environmental assessment and Negative Declaration prepared by the County of San Bernardino Special Districts Department for the Lenwood/High Desert Estates Sewer Project for the extension of sewer facilities and the provisions of sewer service to a total of 1,003 parcels;
 - b. Determine that the Commission does not intend to adopt alternatives for this project, and that the mitigation measures identified are the responsibility of the County of San Bernardino and/or City of Barstow for implementation; and,
 - c. Direct the Clerk to file the Notice of Determination within five working days.
2. Determine that the expansion area of SC #184 is statutorily exempt from environmental review, and direct the Clerk to file a Notice of Exemption within five days;
3. Modify the boundary proposed for authorization for sewer service from the City of Barstow to include the area of County Service Area 70 Improvement Zone S-7 (excluding the area of Mojave Manor) as shown on the attached maps.

4. Approve SC#184, as modified, affirming existing contracts and existing service connections within the area as modified, and authorize the City of Barstow to contract with the County of San Bernardino as the governing body of CSA 70 Improvement Zone S-7 to provide sewer service to the remaining unserved parcels as requested and as the sewer facilities allow; and,
5. Adopt LAFCO Resolution #2758 setting forth the Commission's findings, determinations, and approval of the agreement for sewer service between the City of Barstow, County of San Bernardino, and County Service Area 70 Improvement Zone S-7.

BACKGROUND:

The City of Barstow has submitted an application requesting that the Commission authorize the City to provide sewer service within the boundary of the County's Assessment District 2001-01 (Lenwood/High Desert Estates). The study area, as defined by the City, as of July 2002, is for approximately 320 acres generally described as follows:

Lenwood – south of the AT&SF railroad, west of Tortoise Road (City of Barstow boundary), north of existing City of Barstow boundary that follows parcel lines, and east of Lenwood Road. This area is approximately 320 +/- acres in size and contains 798 existing parcels (599 developed parcels and 199 undeveloped parcels).

High Desert Estates – generally north of Jasper Road (existing City of Barstow boundary), east of Lenwood Road (existing City of Barstow boundaries), and south and west of parcel lines. This area is approximately 40 +/- acres in size and contains 204 parcels. This portion of the project is an existing mobilehome park, currently provided sewer service by the City of Barstow.

Included within Attachment 1 is a map of these areas. The request submitted by the City of Barstow proposes the authorization to contract with County Service Area 70, Improvement Zone S-7 and the County of San Bernardino for the provision of sewer service outside its boundaries, pursuant to the requirements of Government Code Section 56133.

The request presented to the Commission is the next step in a long process begun in approximately 1998 to address health and safety concerns by bringing sewer service to the Lenwood community. The health and safety concern was due to the deteriorating on-site waste disposal conditions. The County Special Districts' staff and City of Barstow staff have worked with various agencies of the federal government to secure funding for this project. This funding includes the following: A

\$3,000,000 grant from the Environmental Protection Agency; a \$1,500,000 grant from the US Department of Agriculture (USDA) and a low interest loan for \$2,500,000 from the USDA. An assessment district has been created by the County, Assessment District 2001-01 under the Municipal Improvement Act of 1913, to secure a mechanism for financing repayment of the loan necessary for these facilities. All these financing arrangements hinge upon the agreement with the City of Barstow to provide the necessary sewer hook-ups to its system and the treatment of the effluent generated at its treatment plant.

The need for this service is twofold – the existing sewage disposal system for High Desert Estates does not function properly and needs to be replaced. The residents of the mobilehome park have experienced odor problems and there is the potential for damage to the system downstream due to flow problems. The Lenwood community is having severe septic tank problems due to the soil types in the area and percolation issues, causing health and safety concerns. As outlined in the Assessment report, in some areas of the Lenwood community effluent is surfacing on streets and in the yards posing a serious health problem. The evaluation conducted in 1998 indicated the only solution for the area would be the connection to a sewer system, and the only system available is through the City of Barstow.

The County General Plan assigns the area within Assessment District 2001-01 an improvement level 3 designation. Such designation for the Desert region is typically applied to transitional areas. The County General Plan assigns the Lenwood portion of the Assessment District the following land use designations:

“CR (rural commercial) designation along National Trails Highway/Main Street in this area

RL (rural living – which generally allows 1 unit per 2.5 acre) for a majority of the area, and

RS (single-family residential which allows up to 4 units per acre).

The High Desert Estates Mobilehome Park is designated as RS-14M and is currently developed.

The County General Plan assigns the area proposed for expansion by LAFCO staff (the balance of CSA 70 Improvement Zone S-7) the following land use designations:

RS (single-family residential up to 4 units to the acre) for the majority of Section 8.

The southwest corner of Jasper and Agate Roads and the Mojave Villas condominiums are designated as 5M-RM for multiple family residential. This designation allows for 5,000 square foot minimum lot size.

The northeast corner of Jasper and Lenwood Road, adjacent to the High Desert Estates Mobilehome Park is designated as CN (Neighborhood Commercial).

The areas west of Highway 58 and along Agate Road are designated as RS-14M. This designation requires 14,000 square foot lot sizes.

In July 2002, the City of Barstow submitted the application for out-of-agency service approval to the Commission. They have asked for authorization to provide the service to the newly created Assessment District of the County only. As the staff began reviewing the contract provisions and area of service, the question was posed to the County Special Districts Department and City of Barstow staff as to possible expansion in order to address the service authorization to provide sewer service to include the whole of CSA 70 Improvement Zone S-7. The staff's concern related to provisions within the draft contract related to future actions for areas outside Assessment District 2001-01 but within CSA 70 Improvement Zone S-7. These provisions are included in Section 3.1.5 (page 8) of the final draft contract dated 10/08/02 (included as a part of Attachment #2). A meeting was held with representatives of the City of Barstow, Special Districts staff and LAFCO staff on August 21st to discuss the contract and the potential expansion of the area for consideration. Verbal support for the expansion was provided at this meeting.

The staff's purpose in proposing the expansion is to address provisions of the contract which specify a process for future connections that may be outside the boundaries of Assessment District 2001-01, as outlined on page 8 of the draft contract dated 10/8/02. Providing authorization to contract within the boundaries of CSA 70 Improvement Zone S-7 overall eliminates the need to return to LAFCO for additional authorizations, while the contract specifies the need for an additional out-of-agency contracts for service.

In addition, the expansion of the authorized contract area supports many previous actions, including the formation of Improvement Zone S-7 in 1977. CSA 70 Improvement Zone S-7 was created to fund a feasibility study to review the possibility of connecting to the City of Barstow system to provide sewer service within the communities identified as Lenwood and Grandview. Through the years, the majority of what was known as the Grandview community has been annexed to the City of Barstow, the final piece being considered as LAFCO 2909 at this hearing. The Lenwood community has maintained its independence, but is in need of the sewer service available from the City of Barstow. The City of Barstow has indicated its willingness to contract for this service through its participation in the funding process and through the application before the Commission.

Pursuant to the Commission's application requirements for service contracts, information is to be provided regarding all financial obligations for the extension of

services outside an agency's boundaries. Accordingly, through the processing of this service contract application, the City has supplied LAFCO staff with information that relates to the extension of service to the two areas of Assessment District 2001-01. The Assessment Report (included as a part of Attachment #2) indicates that the proposed charges within the Lenwood portion of the project would be approximately \$3,205 for improved parcels and \$2,272 for unimproved parcels if paid in lump sum or an annual payment included on the tax bill of \$124 for unimproved and \$174 for improved parcels for 40 years. The estimated costs for the High Desert Estates portion would be \$916 per unit if paid in lump sum or an anticipated annual payment of \$50 for 40 years. Authorization to serve by the Commission is required before the City of Barstow and County of San Bernardino can take the final actions to implement the terms of the agreement.

No request for sewer service is known to exist from within the expansion area. However, the City of Barstow currently provides sewer service to the apartment/condominium complex along Mojave Villas Lane and has done so since its development several years ago. The expansion of the proposal complies with the provision of Government Code Section 56133 in that the entire area is within the sphere of influence of the City of Barstow, the area is proposed for inclusion within the City in the future, and it is currently a part of the community of service districts which support the Barstow area (Barstow Fire Protection District, Barstow Park and Recreation District, Barstow Cemetery District) and the function of County Service Area 70 Improvement Zone S-7 is sewer service.

In conclusion, the staff believes that adoption of the recommendation as outlined will provide resolution to the issue of how sewer service delivery in this area can be provided now and into the future. Commission approval will allow the County and City of Barstow to proceed to finalize the agreement for the extension of the City's sewer service within the boundaries of Assessment District 2001-01 so that the federal funding for the project can be received.

FINDINGS:

1. The area of County Service Area 70 Improvement Zone S-7 proposed for authorization to receive out-of-agency sewer service from the City of Barstow includes the areas identified as being within Assessment District 2001-01 (Lenwood/High Desert Estates). The land use designations for these areas by the County of San Bernardino are outlined within the body of this report.
2. The City of Barstow will be authorized to provide sewer service within the boundaries of Assessment District 2001-01 (Lenwood/High Desert Estates) immediately and the balance of territory within CSA 70 Improvement Zone S-7 in the future. The approval of this authorization to provide service will allow Special District's staff and the City of Barstow to proceed to consider and

contract for the extension of sewer service within the service capabilities of the existing and proposed infrastructure.

3. In January of 2001, acting as the CEQA lead agency, the County prepared an environmental assessment for the Lenwood/High Desert Estates Sewer Improvements. In April 2001, it approved the environmental assessment for the overall project; and adopted a Negative Declaration with mitigation measures. This decision indicates that the project would not have a significant effect upon the environment through its development as outlined in the environmental documents.

LAFCO staff has provided a review of the County's initial study and Negative Declaration issued for this sewer project. That analysis indicates that the County's initial study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. The Commission will not be adopting alternatives or mitigation measures for this development, as these are the responsibility of the County. Attachment #3 provides a copy of the staff's response and recommendation regarding the Commission's review and necessary actions to be taken.

4. As the CEQA lead agency on the modification to the project, the LAFCO staff has determined that the contract expansion is statutorily exempt from environmental review. Attachment #3 provides a copy of the staff's determination and recommendation regarding the Commission's review and necessary actions to be taken.
5. The interagency agreement between the City of Barstow, County of San Bernardino and CSA 70 Improvement Zone S-7 outlines the responsibilities for the provision of sewer service through enhancement or development of a sewage disposal system.

KRM:

Attachments:

1. Maps showing the vicinity of the project, the project boundaries as proposed and expanded, and the boundaries of CSA 70 Improvement Zone S-7
2. City of Barstow application, Draft Contract, and AD 2001-01 Assessment Report
3. Environmental Documentation
4. Draft Resolution #2758